... unites Ontario's municipalities

Report Series 1990

90-4 "Reforming the Partnership"

Association of Municipalities of Ontario

May 1990

MISSION STATEMENT

A.M.O. unites Ontario's municipalities.

We take pride in promoting, supporting and enhancing strong and effective municipal government.

We provide strategic leadership by:

- **developing and effectively promoting responsive quality policy**
- **informing and educating governments, the media and the public**
- **marketing innovative and beneficial services**

Our elected representatives, municipal officials and Association staff form a team which values and respects:

- **diversity and local autonomy**
- **fairness and equity**
- **consultation**
- **consensus**
- **co-operation**

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AMO MEETS WITH THE PREMIER AND CABINET

REPORT ON MAY 29, 1990 MEETING

The Association of Municipalities of Ontario met on May 29 with the Premier and Members of Cabinet. A brief with 5 key recommendations which will hopefully further municipal government interests, was presented.

The meeting seemed successful. The atmosphere was positive and cooperative. The Premier and Cabinet members appeared to be listening. However, only the future will reveal if the Association did achieve its goals.

What were the goals of AMO at this annual meeting?

THE MESSAGE

The President in his opening statement clearly stated the goals of the Association, on behalf of Ontario's municipal governments:

> "We recognize that as we enter the 1990's all levels of government are facing new challenges. These demands will escalate. We are here today therefore with one message. AMO and the municipal sector wish to meet the challenges facing government. To do this we are requesting a new and revitalized partnership on behalf of municipal government in Ontario.
>
> The Association has expressed its concerns regarding the current strategies of this government in responding to financial pressures: "downloading" to the municipal level and encouraging debt as opposed to adequate financing.
>
> Instead we would like to work with the government to achieve comprehensive reform of the partnership. We have several goals.
>
> The first is known as "disentanglement". In simple language, AMO and municipalities would like to see the government adopt this concept - that is that municipal government must be given the authority to truly manage both the quality and quantity of services for which they are responsible.
>
> There also must be an adequate revenue base to finance new programs and services. A stable and consistent transfer payment system to equalize the inequities of the property tax across the Province, is necessary."

ACHIEVEMENTS

Recommendation 1 - A Municipal Impact Statement

The Premier and the Minister of Municipal Affairs both stated that there was not "technical" reason for not pursuing the suggestion that all Ministries examine the municipal financial impact of new programs, program enhancements and legislative or regulatory changes. The Minister suggested that the concept should be explored further to ensure that the impact statement process would achieve the desired result for both levels of government.

The concept was endorsed in principle and AMO was requested to bring its ideas on how to achieve such a process, to the table, for discussion.

Recommendation 2 - The Province to Assume Responsibility for the Income Maintenance System as soon as possible

The Premier indicated that the government was aware of the strain on those municipalities administering GWA. The Provincial government was also facing a large increase in FBA/GWA and, the Ministry of Community and Social Services was working with the Ontario Municipal Social Services Association to assess the situation and the cause of the rapid expenditure increases.

The Minister of Municipal Affairs stated that the government did not object to the principle of assuming the responsibility for the income maintenance system, if it was recognized that there would be an "equalizing" by municipalities assuming other responsibilities elsewhere in the intergovernmental partnership. There was recognition that the Provincial government should assume those areas where the decision-making was primarily Provincial, and municipalities should be involved in those services in which it had more control.

Recommendation 3 - Bill 107: The Police Services Act

The Solicitor General did not agree with the Association's comments that Bill 107 was a step in the wrong direction by giving the Provincial government control over municipal police services and a significant budget expenditure of municipal councils.

The Solicitor General responded to the Association's recommendation for changes to the bill regarding the composition of Municipal Police Services Boards, by indicating that the bill was in fact not a great departure from the status quo. The government viewed the Municipal Police Services Boards as a mechanism of "governance" which had to be separate and independent from municipal council.

Recommendation 4 - A New Revenue Sharing Act

The Association did not get a definite commitment that the Provincial government would immediately set up a process to discuss a revenue sharing act, similar to other provinces. The Premier did however, note the predisposition of the current Treasurer of Ontario for unconditional grants as opposed to conditional funding. The Ministers suggested that they would defer on this request, pending the report of the Advisory Committee to the Minister of Municipal Affairs on Provincial-Municipal Finance, co-chaired by the Province and AMO. The Premier stated that he did not disagree with the philosophical basis of the Association's position for more unconditional funding and a stable transfer payment system, based on revenue-sharing.

The Association will promote this within the discussions of the Advisory Committee on Provincial-Municipal Finance, and also in the context of AMO's report on conditional grants, "New Dimensions".

WASTE MANAGEMENT

AMO stated its concern regarding the apparent one-sided approach of the Provincial government to the waste management problem, recycling. The Association does support the blue box program, but as only one strategy and would prefer a more balanced app.oach with equal emphasis on reduction and reuse.

The Association expressed its concern with the recent regulatory change for soft drink producers to produce less than 30 % of their product in refillable containers. The Association urged that the Recycling Advisory Committee be replaced with a 4 R's Advisory Committee.

In response the Minister of Environment reported on the government's program which included: expansion of markets for recycled products, promotion of the 3 R's with industry and government, government procurement policies, composting pilot projects, to name but a few.

Recommendation 5 - A Forum for the Re-negotiation of the Provincial-Municipal Partnership

The Premier stated that the Association's criticism of the many review processes and the lack of coordination amongst the Ministries was valid. The government may have been accused of being " uncoordinated and perhaps insensitive, but they had acted."

The Premier indicated that the Government of Ontario was willing, "with the leadership of the Association, to try to change this."

The Minister of Municipal Affairs, indicated that the Ministers involved (Municipal Affairs, Treasury and Economics, Ministry of Community and Social Services) should perhaps meet and discuss ways in which to establish the common elements of the Provincial-Municipal Social Services Review (PMSSR), the Long-term Care Reform, the Report of the Advisory Committee to the Minister of Municipal Affairs on Provincial-Municipal Finance Matters.

It was stated that there were many processes for change all culminating at approximately the same time and the government needed to plan and coordinate the input to and the implementation of these reforms. The Minister of Municipal Affairs asked AMO for its advice on a process for achieving this, as per the Association's recommendation for a comprehensive and coordinated approach to changing the roles and responsibilities of each governmental partner.

CONCLUDING COMMENTS

The Premier congratulated the Association for its leadership on Bill 8 and the french language issue.

The Minister of Municipal Affairs stated that the government would begin immediately to address the issues raised by AMO regarding consultation and coordination and review of the relationship. He wished get started at the next regularly scheduled consultation meeting on June 18, 1990.

The President of the Association Grant Hopcroft thanked the Premier and the Minister of Municipal Affairs for the meeting.

ATTENDANCE

Cabinet

- The Honourable David Peterson, Premier of Ontario, and
  Minister of Intergovernmental Affairs
- The Honourable Charles Beer, Minister of Community and Social Services and
  Minister Responsible for Francophone Affairs
- The Honourable James Bradley
  Minister of the Environment
- The Honourable Rene Fontaine
  Minister of Northern Development
- The Honourable Remo Mancini
  Minister of Revenue
- The Honourable Gilles Morin, Minister Without Portfolio
  Responsible for Senior Citizens Affairs
- The Honourable Steven Offer
  Solicitor General
- The Honourable David Ramsay
  Minister of Agriculture and Food
- The Honourable Ian Scott, Attorney General and
  Minister Responsible for Native Affairs
- The Honourable Gregory Sorbara
  Minister of Consumer and Commercial Relations
- The Honourable John Sweeney, Minister of Housing and
  Minister of Municipal Affairs
- The Honourable Bob Wong
  Minister of Citizenship, Multiculturalism and Ontario Human Rights Commission
- The Honourable William Wrye
  Minister of Transportation

AMO

- Grant Hopcroft, Councillor, City of London, President, AMO
- John Harrison, Councillor, Township of Delhi, First Vice-President, AMO
- Stephen Clark, Mayor, City of Brockville, Immediate Past President, AMO
- Helen Cooper, Mayor, City of Kingston, Vice-President
- David Hipgrave, Director, Management Services Department, Metro Toronto, Vice President
- Howard Moscoe, Metro Councillor, Municipality of Metropolitan Toronto, Vice-President
- Bill Murdoch, Councillor, Township of Sydenham, Vice-President
- Bob Parker, Mayor, Town of Onaping Falls, Chairman, Northern Ontario Section
- Liz Behrens, Councillor, Town of Oakville and Chairman of Large Urban Section
- Gerry Teahan, Mayor, Town of St. Mary's and Chairman of OSUM
- Brad Clements, Councillor, Regional Municipality of Halton, Chairman of the County and Regional Section
- Mabel Dougherty, Warden, County of Brant and Chairman of the Rural Section (ROMA)

"REFORMING THE PARTNERSHIP"

AMO Presentation to the Premier and Executive Council of Ontario

MAY 29, 1990

I. OPENING STATEMENT

As we enter the 1990's it has become obvious that all levels of government are encountering new and exacting challenges. Furthermore, demands upon all levels of government will continue to escalate. Since 1986, the Association has met with the Cabinet to present the concerns of municipal government. While this presentation details some areas of difficulty with the provincial-municipal partnership, we wish to advise that we are here today with but one message. Our message, is one arising from the opportunity that challenge often provides. The Association of Municipalities of Ontario is asking for a new and revitalized patnership on behalf of municipal government in Ontario.

Over the past few years and more particularly this last year, there have been tensions between the two partners in the delivery of services to our citizens. AMO and the municipalities of Ontario know that the demands for new services, new programs and improved legislation will continue and cause pressures for both levels of government. However, the present strategy of the Federal and the Provincial governments of balancing their budgets by "downloading" to municipal government, is not the solution.

Municipal leaders feel that we are on the verge of a partnership and financial crisis. Taxpayers are being tapped as never before; with increased income taxes, the GST, double digit property tax increases, and an array of new and innovative user fees. As politicians, we are very aware of how easy it is to spend taxpayers' money. But, as the level of government closest to the people and the government associated with the very visible property tax, our members feel that municipal politicians will be amongst the first to answer to the over-taxed consumer.

AMO is proposing a solution. AMO proposes a new provincial-municipal partnership. The answer to the problems of the pressures created by new and increasing demands are not passing these costs on the "subordinate" level of government or increased taxation. The answer is a new tri-level partnership between the Federal, Provincial and municipal levels of government.

We are here today to "revitalize" the intergovernmental partnership. Our brief will provide some specific suggestions to promote harmony which will permit both levels of government to achieve a common objective -- serving the people of Ontario.

II. PRESSURES ON GOVERNMENT

AMO is aware that we are dealing with government reacting to change and increased demands.

There are a number of factors causing provincial and municipal expenditures to rise.

- population increases (an annual increase in Ontario of 1.5 % for the past five years)
- demographic change. (the aging population has escalated health and social service costs)
- economic growth that has caused demands for infrastructure
- new and expanded programs to meet emerging social demands

Municipal expenditures have grown, and transfer payment have not kept pace. Transfer payments for 1988-89 increased by 8 %. Expenditures increased considerably more, as indicated below.

Table I (From Economic Outlook & Fiscal Review, 1989, Ministry of Treasury & Economics)

Estimated Municipal Spending, 1988 & 1989 ($ million)

	Preliminary 1988	Projected 1989	Increase %
Municipalities within Metropolitan Toronto*	3,991	4,731	18.5
Municipalities within Regions*	5,073	6,032	18.9
All Governments in Region	**9,064**	**10,763**	**18.7**
Municipalities within Counties*	2,701	2,915	7.9
Municipalities within Districts	772	806	4.4
All Other Governments	**3,473**	**3,721**	**7.1**
Total Municipal Sector	**12,537**	**14,484**	**15.5**

* Includes upper and lower tier governments.
Source: Ontario Ministry of Municipal Affairs

AMO recognizes that the government has attempted to address this discrepancy in the 1990 Provincial budget by increasing transfers to municipalities to 11.3 per cent. However the $164 million increase is primarily for health and social services improvements where municipalities must match dollars and increase their expenditures even further.

The major infrastructure needs of Ontario still remain underfunded. This causes municipalities great concern. The 1990 Provincial budget did not address this, as there is no new money for sewer and water, roads, and only a few dollars more for garbage.

Ontario's municipalities are facing massive capital needs to upgrade sewage treatment plants and gear up for the MISA regulations. Approximately one third of all bridges will require an overhaul or replacement within the next five years. The 1990 Ontario budget's only solution is a mechanism to increase municipal debt - a water and sewer crown corporation which will "assist municipalities ability to borrow with a Provincial guarantee of its debt"!

One of the biggest municipal budget expenses, according to a recent AMO Financial Survey is financing environmental programs. In 1989, a sample of just 23 municipalities spent $24.6 million more on landfill siting, environmental assessments, recycling, and MISA up grading. When multiplied across the Province, it is clear that a large and increasing portion of property tax dollars are going to finance environmental infrastructure, with more needed.

(For further information refer to "AMO Financial Survey: Impact of Provincial Policies on 1989 and 1990 Municipal Budgets")

III. THE PROVINCIAL GOVERNMENT'S STRATEGY : "DOWNLOADING" AND DEBT

The trend of passing on costs from the Federal government to the Provincial government to the municipal level of government is one very easy to detect. The encouragement to borrow as a replacement for government funding as stated by the Treasurer of Ontario, is an easy substitute to true partnership and fiscal reform.

PROGRAM DOWNLOADING

The Association feels that the current Provincial strategy of tax-shifting, that is the ad hoc transfer of responsibilities from the Provincial to the municipal level of government, has resulted in a strained partnership in the delivery of services to Ontario's citizens. The financial implications are clear. In their 1990 budget processes municipalities were faced with significant property tax increases or program cuts.

The political consequences are obvious. One is the dissatisfaction of our mutual constituents. The other is a more serious consequence, the undermining of the autonomy of local government. Municipal politicians have less and less leeway to address local priorities with their property tax dollars, and less decision-making capability. A growing portion of the municipal revenue base is consumed by provincially mandated programs and improvements.

The Association has done considerable analysis of this, to back up these statements. In the summer of 1989, AMO surveyed municipalities to assess the impact of Provincial programs and policies on municipal budgets. Table II and Table III, provide some examples of the household impact of the Provincial directives, in a sampling of municipalities.

Household Impact of Provincial Programs (from AMO Financial Survey, 1989)

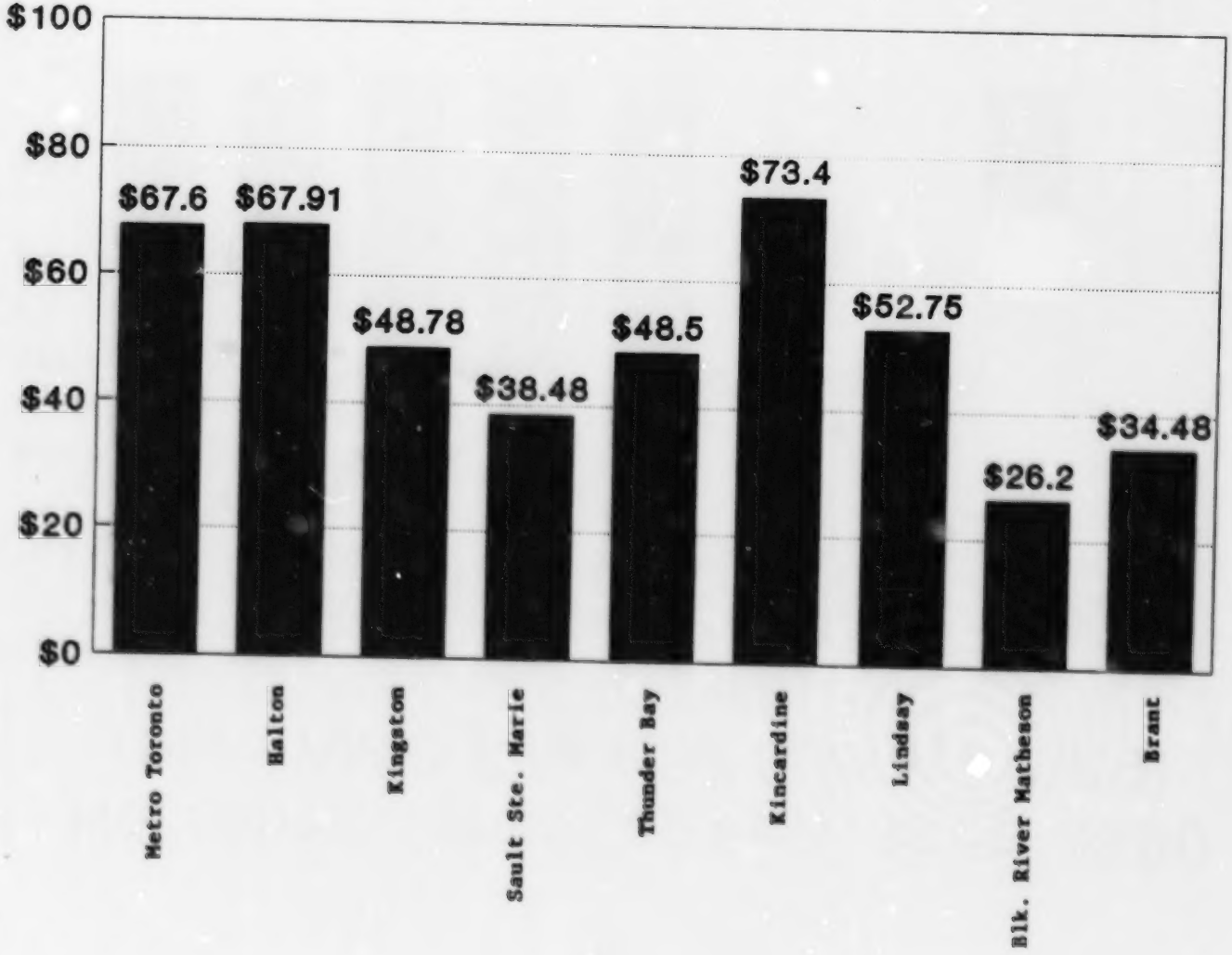
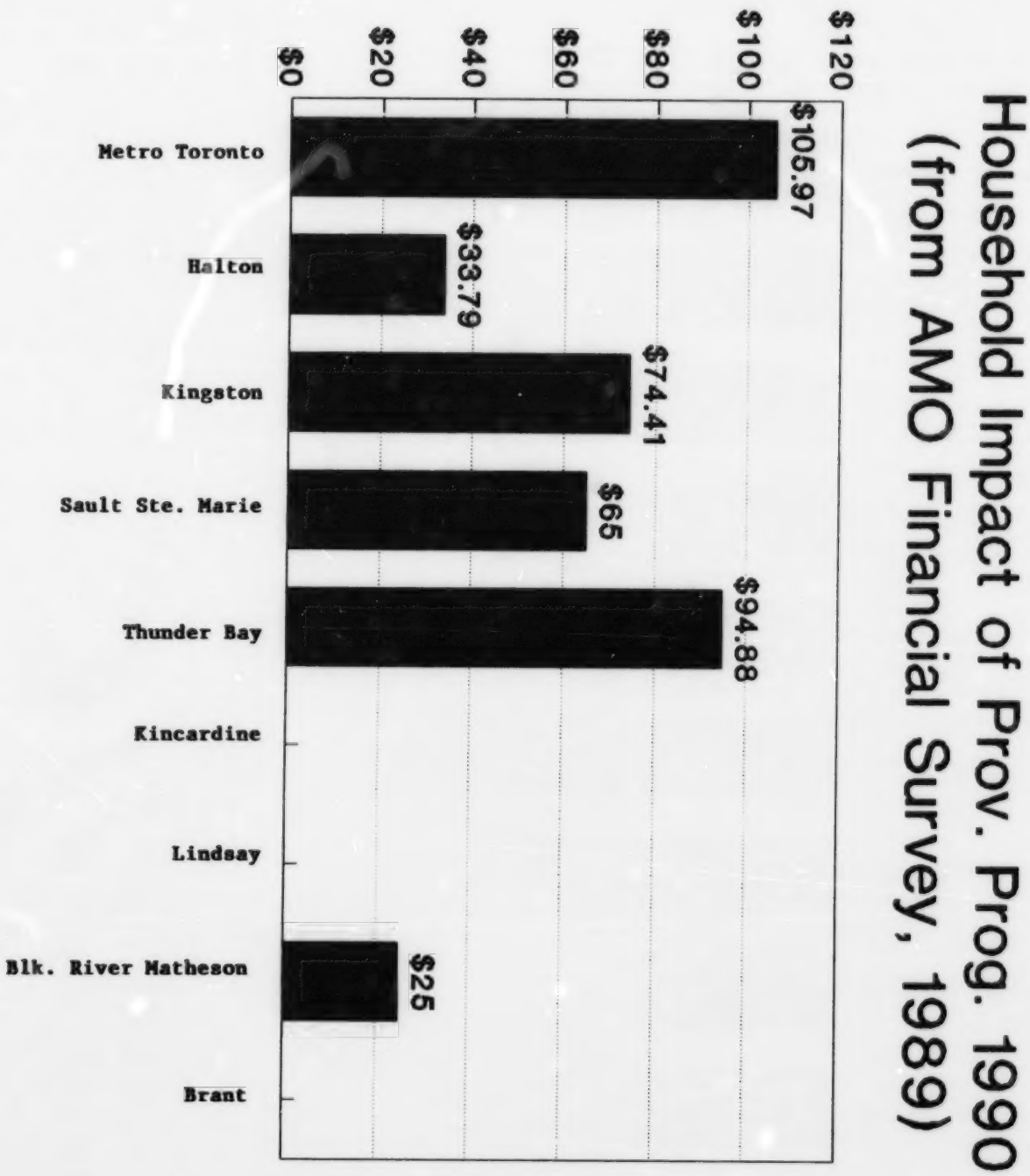


Table II

Table III


Household Impact of Prov. Prog. 1990
(from AMO Financial Survey, 1989)
$0
$20
$40
$60
$80
$100
$120
Metro Toronto
$105.97
Halton
$33.79
Kingston
$74.41
Sault Ste. Marie
$65
Thunder Bay
$94.88
Kincardine
Lindsay
Blk. River Matheson
$25
Brant

Cost of Environmental Clean-up

The Government of Ontario has stated that protecting our environment is a high priority. Municipalities do support the need for improving the quality of life for Ontario's citizens. AMO has never taken issue with the environmental goals of the government. The Association does have serious concerns with the expense for the municipal sector, and the lack of recognition from the Province that the increased environmental regulation is causing significant budget pressures.

The most expensive environment program for the municipal sector (as identified in the "AMO Financial Survey: Impact of Provincial Policies, 1989 & 1990") is the blue box program. A sampling of just 25 municipalities spent $9.8 million more in 1989 on recycling. The Association does support the blue box program; but would prefer a more balanced approach with equal emphasis on reduction and reuse strategies. The operating and capital costs should be shared equitably by all partners in society.

MISA, the Municipal Industrial Strategy for Abatement will give municipalities the new responsibility of monitoring and regulating industrial discharges into the municipal sewer system. Municipal budgets are now being adjusted to accommodate the significant capital costs for the upgrading and the construction of sewage treatment plants and for the costs of on-going monitoring and enforcement. Unfortunately, increased financial support to assist municipalities for these new and expensive requirements, was not in the Province's 1990 budget.

Provincial legislative and policy requirements have forced municipalities to undertake overly complex and expensive waste management master planning. These plans are costly, requiring a lengthy and overly expensive approvals process under the Environmental Assessment Act.

AMO has highlighted the environmental initiatives to emphasize one point. Municipalities support the protection of the environment. However, this can only be achieved by "revitalizing" the current provincial-municipal partnership.

Debt

Issuing debt instead of meeting financial obligations is not the answer to short or long term problems.

This year the Legislature's Standing Committee on Finance and Economic Affairs sought advice from economists and the banking sector. This extract from the presentation of the Bank of Nova Scotia supports the municipal view on the Treasurer's short-sighted debt financing strategy.

> "Canadian municipalities may opt to use their considerable untapped borrowing potential particulary in the rapidly expanding areas like Greater Toronto where immigration pressures have strained the capacity of local

> schools, hospitals, and transportation facilities. --- However Ottawa's fiscal crisis is a clear reminder of the potential risks from excessive recourse to debt financing. -- Recent changes in municipal credit ratings also underline the need for a cautious borrowing strategy."

Municipalities have reservations about the Provincial budget announcement which creates a new corporation for infrastructure funding. It appears that the Provincial government has provided only one alternative for funding massive infrastructure needs, borrowing with the blessing and credit rating of the Province. There is no new money for sewer and water capital at a time when significant funds are being provided to hospitals and the education sector to meet their capital funding needs.

AMO would like to borrow from the speech of the President of the Canadian Institute for Chartered Accountants -- "Running out of Charge Cards: Our Government Deficits". The Institute suggested that we should think of government funding like charge cards - VISA, Mastercharge and American Express. The Federal Government with the VISA card is at its national limit. Their finances have sunk to the "danger zone of debt" with the public debt now around $350 billion. In 1989 40 cents of every dollar collected by the Federal Government went to service this debt.

The provincial governments are highly into Mastercharge. According to the Canadian Institute of Chartered Accountants, most provincial governments are close to the maximum on their charge cards. The Treasurer of Ontario has stated that for the second year the government will balance the operating budget and have a slight surplus. The Province of Ontario still has a projected debt load for 1989-90 of $40.0 billion. In addition the Province's debt for Ontario Hydro was $7.8 billion as of March 31, 1989.

The Province of Ontario has stated that borrowing by American Express is the answer for municipalities. The Institute states that "on the surface this does not look bad, but they (municipalities) are operating on what is becoming a shorter and shorter period of grace."

AMO rejects the avenue of increasing municipal debt as a replacement for a Provincial commitment to finance infrastructure capital. Municipalities do not want to reach their limit on their American Express as when the bill comes in the public will be the loser.

IV. PROGRESS TO DATE?

There has been some progress on the road to reform. We congratulate the government for taking initial steps in some areas.

The Report of the Provincial-Municipal Social Services Review

For three years AMO and the government have been working together to develop a new framework for the provincial-municipal management of the social service system. AMO is encouraged with some of the "principles" of the final report of this process, particularly the clarification of government responsibilities and the underlying premise of the report, that municipalities should cost-share only those services over which they have some authority.

The Advisory Committee to the Minister of Municipal Affairs on Provincial-Municipal Finance.

In the spring of 1989 this provincial-municipal committee began its task of preparing recommendations to the Minister of Municipal Affairs. The terms of reference of this committee is: to review the financial relationship in the context of political accountability, program responsibility, and fiscal capacity, with the view to basic reform of the transfer and local government systems.

AMO hopes that the committee will fulfill this mandate and that the report to the Minister is truly one of reform.

The Association mentions the above to clarify and strengthen AMO's request to be involved in a more comprehensive reform process. It appears that the provincial-municipal relationship is under piece-meal review.

AMO is also aware of other Provincial initiatives, such as the reform of the long term care system in Ontario, and its potential impact on the municipal role in the delivery of community services for seniors and the disabled. It is unfortunate that the Long Term Care Reform initiative could not have been coordinated with the efforts of the Provincial-Municipal Social Services Review.

AMO is also aware of the review of government operations and programs by Deputy Secretary of the Cabinet, Bernard Shapiro. This review will attempt to find ways to streamline and re-organize the delivery of services across the entire government, and it appears that it could extend to an examination of roles and responsibilities of the province vis-a-vis municipalities.

All of the above activities have created confusion even for those who daily monitor activities at Queen's Park. We are here today to promote a process to better co-ordinate and plan the road to partnership reform.

Bill 107 - The Police Services Act

There unfortunately have also been regressive steps in provincial-municipal relations.

Bill 107 - The Police Services Act presently before the Legislature violates the principle of political accountability. Bill 107 gives control of police services and budgets to the Provincial government, through a police services board with municipalities paying for this provincially directed service. This is completely contrary to the principle of "disentanglement" of provincial-municipal roles in the provision of services.

V. WHERE DO WE GO FROM HERE?

Just as the Province of Ontario stated in its 1990 Budget document that it was concerned with Federal-Provincial fiscal arrangements, so too is the municipal sector concerned with provincial-municipal fiscal relations.

The government states that a constructive resolution must be found. AMO states that a constructive resolution must be found to the Federal-Provincial-Municipal partnership.

Programs have been introduced and the rules of the game changed at times without consultation with the municipal sector. These Provincial decisions have affected municipal budgets and squeezed the limited municipal revenue base. AMO supports the Provincial goal of deficit reduction and a balanced budget, but not on the backs of the property tax payer and not at the expense of local autonomy.

Therefore it is AMO's intent in this presentation to seek a broad program for reform of the provincial-municipal relationship. As stated earlier, it is time for radical change.

VI. AMO'S ACTION PLAN FOR THE 1990'S

We hope that what we propose as a solution will be seen as a constructive and cooperative approach to a mutual problem. We do not deny that the past year has been a difficult one for both municipalities and for the Province of Ontario. Municipalities and the Province of Ontario need a new relationship to enable adequate delivery of programs and services to our citizens and meet future needs.

These recommendations are presented in the spirit of cooperation.

AMO'S GOALS FOR A NEW PARTNERSHIP

Disentanglement

The Association's primary objective towards the achievement of reform of the partnership is "disentanglement". We were heartened that the Provincial-Municipal Social Services Review made the principle of disentanglement the cornerstone of its recommendations for a new relationship in the delivery of social services. This fundamental principle, if applied to the total provincial-municipal partnership, would represent a significant step forward in intergovernmental relations.

"Disentanglement: Municipal governments are looking for a disentanglement of responsibilities, so that they will be accountable only for services over which they have substantial control. From the municipalities' perspective their role in the current system leaves them with the worst of both worlds. Legislative and regulatory obligations are imposed on them by Queen's Park and they are subject to provincial financial restraints, yet they are perceived in their own communities to be responsible for programs over which they have only minimal control. Municipalities want the authority to manage both the quantity and quality of services for which they are responsible, and they want to be guaranteed sufficient revenue to manage properly." (Report of the Provincial-Municipal Social Services Review,, April 1990).

Revenue/Taxing Capacity to meet responsibilities

Can the property tax continue to fund the new and improved programs of the future? Along with the "disentanglement" of responsibilities there must be adequate revenues to finance programs. The Association believes that a stable and consistent transfer payment system to equalize the inequities of the property tax across the Province, is necessary.

RECOMMENDATIONS

1. <u>Municipal Impact Statements</u>

   AMO requests that the provincial government amend its Cabinet and Management Board submission forms to include a special section entitled "ramifications for municipalities". This section would require ministries to insert a cost projection for municipalities of any new program or policy or revised program, to respond to these new costs. AMO must be consulted on the impact of any such changes.

Although the Association has included for three consecutive years this recommendation within its presentation to Cabinet, no action has been taken. We understand, however, that a similar recommendation has been made by the Interministerial Committee on Conditional Grants. We are therefore encouraged by the fact that others within government share our view.

As well the Association notes that the 1990 Report of the Standing Committee on Finance and Economic Affairs: Pre-Budget Consultation also recommended this for municipalities and school boards. We encourage the Cabinet to act on this in 1990.

2. Social Assistance

There have been substantial increases in municipal social assistance budgets in 1990. The Ministry of Community and Social Services and OMSSA (the Ontario Municipal Social Services Association) are working together to try to find out why welfare case loads have increased in the range of 20 - 94%, across the Province since September 1989. Preliminary investigations suggest that the increases result from a combination of factors: Unemployment Insurance eligibility changes, immigration policies, STEP, seasonal adjustments, and increased unemployment.

AMO urges the Province to assume the full financial responsibility for the social assistance system as soon as possible.

3. Bill 107, the Police Services Bill

As mentioned in the text of this brief, AMO has fundamental concerns with Bill 107 and its violation of the fundamental principles of the provincial-municipal relationship in the delivery of services.

AMO recommends changes to the Bill regarding the composition of police services boards and control of police budgets, to provide municipal government with adequate management authority and political accountability for local police services. If this is not done, AMO recommends that since the Province is assuming all control of police services, that the Province also assume the financial responsibility. AMO and the Province would re-negotiate this in the context of the provincial-municipal partnership.

4. Revenue Sharing

AMO recommends that the Province and the Association enter into discussions immediately to develop a revenue-sharing act similar to other Provinces.

The Association in its document "New Dimensions: the Discussion Paper on the AMO Conditional Grants Review" has recommended that the new transfer payment system must be based on legislated revenue-sharing. Other Provincial governments have concluded that this partnership approach to provincial-municipal finance is mutually beneficial. British Columbia, Nova Scotia, Manitoba, and Alberta all have revenue-sharing agreements.

AMO suggests that this is fundamental to achieving the reforms of the other review processes, such as the recommendations of the Provincial-Municipal Social Services Review, the reform of the Long Term Care system, and any future recommendations of the Advisory Committee on Provincial-Municipal Finance.

5. **Re-negotiation of the Provincial-Municipal Partnership**

AMO urges the Provincial government to establish a broad forum for a comprehensive review and re-negotiation of the provincial-municipal relationship.

There is a need to coordinate all the review activities in a broader forum to achieve consistency. All Ministries of the government must be involved in examining their provincial-municipal relationships, based on some mutually accepted and fundamental principles of intergovernmental relations. A planned program of reform is essential.

AMO has stated its principles for intergovernmental relations: disentanglement and revenue/taxing capacity to meet responsibilities. We would like to sit down with the Province and discuss your principles and our future relationship.

PUBLICATIONS ISSUED IN THE "AMO REPORT" SERIES

88-1	Education Funding in Ontario
88-2	Preliminary Response to New Directions for Child Care
88-3	1988 Provincial Budget Submission
88-4	AMO Submission to Provincial Cabinet
88-5	AMO Response to the Report of the Advisory Committee on County Government: "Patterns for the Future"
88-6	Pressures on the Partnership: Response to the Provincial-Municipal Social Services Review Discussion Paper
88-7	AMO's Unconditional Grants Proposal for 1989
88-8	AMO's Response to "Rental Housing Protection Act: Future Directions"
88-9	Municipal Authority to Regulate Occupancy on the Basis of Relationship
88-10	AMO Response to Bill 170 - Aggregates Resources Act
88-11	AMO Position on "Controlling Industrial Discharges to Sewers"
88-12	AMO Response to "A Review of the Conservation Authorities Program"
88-13	AMO Response to Bill 174, The Intervenor Funding Project
89-1	AMO Brief to the Province of Ontario: 1989-90 Transfer Payment Announcement
89-2	AMO Response to "Financing Growth-related Capital Needs"
89-3	AMO Report on the Draft Housing Policy Statement
89-4	Property Tax: a Provincial Tax? AMO Presentation to the Standing Committee of Finance and Economic Affairs
89-5	"Salvaging the Partnership": 1989 AMO Provincial Submission to Cabinet
89-6	Response to "Transitions", The Report of the Social Assistance Review Committee
89-7	Review of Bill 20 - An Act to provide for the Payment of Development Charges
89-8	Response to "County Government in Ontario"
89-9	Response to Draft Wetlands Planning Policy Statement
90-1	"A New Decade - A New Partnership"
90-2	Bill 107: The Police Services Act
90-3	"New Dimensions": Report of AMO Conditional Grants Review ($25)
90-4	"Reforming the Partnership": AMO Submission to Provincial Cabinet
•	AMO Waste Management Study: The Waste Management Planning and Approvals Process ($15)
•	AMO Waste Management Study: The Municipal Waste Abatement Strategy
•	AMO Waste Management Crisis: A Shared Responsibility Brief to Provincial/Municipal Policy Forum

Copies of all the reports in this series are available at $10.00 each, except as noted for postage and handling, prepaid, from: Publications Centre, Association of Municipalities of Ontario, 100 University Avenue, Suite 805, Toronto, Ontario, M5J 1V6. Please make cheques payable to the Association of Municipalities of Ontario.